

October 21 - 25, 2019 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index rose for a third consecutive week, gaining 1.67%

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) gained 1.67% to end the week of October 25, 2019 at 58.34. Rising for the third consecutive week and registering an increase of 8.70% since reaching its low point this year on October 8, 2019, the Index is up 18.65% on a year-to-date basis. Stock prices were given a boost and Treasury yields climbed higher after reports that the U.S. and China made progress in trade discussions by moving closer to settling parts of a “phase one” deal even as third quarter earnings reports were mixed, and manufacturing data reflected weakness. Seven Index member companies announced earnings results with OnDeck Capital Inc, (ONDK) leading the U.S. based marketplace lenders. OnDeck’s share price soared 42.86% on Thursday after announcing higher margins that helped drive the sixth consecutive quarter of profits. The stock ended the week up 25.99%. Also reporting third quarter results were Enova International, (ENVA), PayPal (PYPL), TransUnion (TRU), Amazon.com (AMZN), Equifax (EFX), and CoreLogic (CLGX) whose share prices finished the week, 9.30%, 5.90%, 1.34%, 0.22%, -4.69%, and -13.63%, respectively. **See the Chart of the Week.**

The three U.S. major benchmarks recorded gains this week, in which positive market moves were driven mostly by optimistic reports that the U.S. and China made progress in trade talks on finalizing parts of a “phase one” deal. The S&P 500, the broad stock market index, climbed for its third consecutive week, ending up 1.22%, to close at 3022.55 just a few points below its record close. Thus far, 40% of the companies in the S&P 500 have reported actual results. Of these, 80% of the companies have reported positive earnings per share (EPS) which stands above the 5-year average and 64% have reported positive revenue results, according to FactSet. That said, earnings expectations had been lowered ahead of earnings season. The Nasdaq Composite saw its fourth consecutive weekly win, finishing up 1.90% to 8,243.12. The Dow Jones Industrial Average (DJIA) increased 0.70% to close at 26,958.06, slightly recovering from the prior week. Small cap company stocks, as measured by the Russell 2000, increased 1.51% to end at 1,558.71.

Internationally, Asia markets remained mixed. The Hong Kong Hang Seng Index (HSI) dropped -0.20% to a level of 26,667.39 while at the same time, the Shanghai Composite Index increased 0.57% to 2,954.93. In Japan, the economy experienced a widely expected bump following the consumption tax increase. The Jibun Bank Manufacturing Purchasing Managers Index fell to 48.5 in October, its lowest level since June 2016, as new orders dropped at the fastest pace seen in nearly seven years. In Europe, the Stoxx 600 index increased 1.35% during a week in which the U.K. Parliament passed an action on the path towards Brexit. The outcome is still far from certain, but it added to market sentiment that political will is coming together rather than diverging.

In other sectors of the market, the yield on the 10-year Treasury is at 1.80%, compared to 1.77% the previous market day and 3.14% October 25, 2018. This is lower than the long-term average of 4.53%. The yield on the 2-year Treasury is 1.63%, compared to 1.58% the previous day and 2.86% last year. This is lower than the long-term average of 3.36%. Gold increased 0.92% to close at \$1,507.10 while crude oil prices moved down to \$56.63, soaring 5.46%.

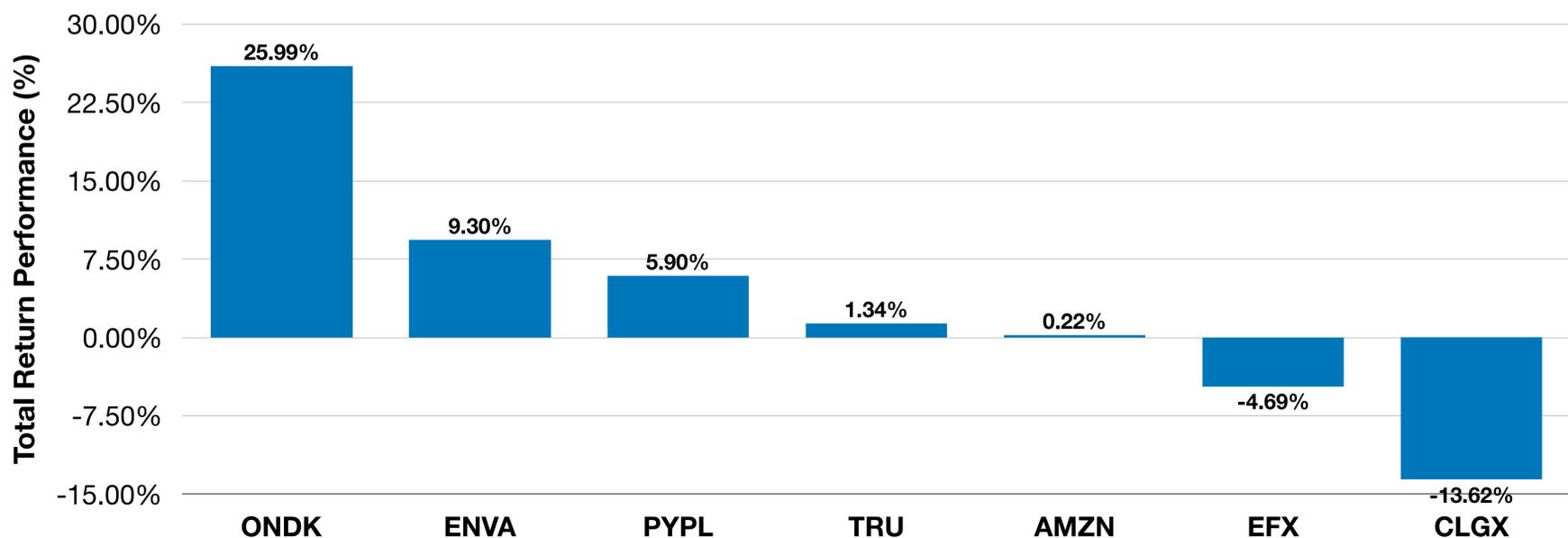
The weekly gain recorded by the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) was bolstered by the performance of 21 Index members, or almost two-thirds, that posted positive results this week ranging from 0.21% to a high 25.99%, in part, driven by strong third quarter 2019 earnings results. The Index, which is comprised of four segments that make up the Peer-to-Peer Lending and Equity Crowdfunding ecosystem saw the biggest advance posted by a member of the Peer-to-Peer Lending and Equity Crowdfunding Platforms (P2P) segment--U.S.-based marketplace lender OnDeck Capital, Inc. (ONDK) that gained 25.99% for the week. The company’s third quarter performance benefited from growth in loans and finance receivables that reached \$1.2 billion, an increase of 10% from September 30, 2018, and gross revenue of \$112.6 million, or a 9% pick up over the same period. LendingClub (LC), increased 4.65%, LendingTree (TREE), 2.98% and GreenSky (GSKY) finished the week with a 1.72% gain. The performance of the 14 China-based lenders were mixed and included a -15.55% drop posted from China Rapid Finance (XRF), Senmiao Technologies (AIHS) -8.57%, X Financial (XYF) -8.04%, Yiren Digital (YRD) -5.59%, PPDai (PPDF) -5.15%, Hexindai (HX), -4.46%, Golden Bull (DNJR), -4.08%, 360 Finance (QFIN), -1.21%, Qudian (QD), -1.20%. At the same time, CN Finance (CNF) gained 0.21%, Weidai (WEI), up 2.56%, Jianpu Technology (JT), up 2.83%, 9F Inc. (JFU) up 3.46%, and LexinFintech increased 3.48%, ending the week.

Two of the five index members in the Social Network[ing] (SN) segment reported corporate earnings results, PayPal (PYPL), surged 5.90% to finish the week after its strongest earning results in at least a year. While Amazon.com (AMZN), reported lower third-quarter profits after the market closed on Thursday. Its stock price traded down as much as -8.62% in after-hours trading but managed to recover to end the week in the black, up 0.22%. The other three companies rounding out this segment includes Square (SQ), up 4.04%, Facebook (FB), gained 1.10%, and PagSeguro (PAGS) dropped, -1.26%.

In the Providers of Technology and Software Solutions (T&S) segment, four of the eleven Index members, reported earnings, Enova International, (ENVA) surged 9.30% after reporting third-quarter profits of \$27.1 million. The online financial services company posted revenue of \$329.5 million in the period. TransUnion (TRU) gained 1.43% after delivering another strong quarter with double-digit adjusted revenue, adjusted EBITDA and adjusted EPS growth in the quarter. Total revenue was \$689 million, an increase of 14%. The third quarter was another positive step forward for Equifax (EFX) with strong revenue growth, however, its share price dropped -4.69% to end the week although the company reported revenue of \$875.7 million, up 5 percent compared to the third quarter of 2018. While CoreLogic (CLGX) a global provider of residential property information, insight, analytics and data-enabled solutions, dropped -13.63%, after reporting financial results with revenues of \$459 million, up \$7 million, reflected strong performance in core mortgage, insurance and real estate solutions. Completing this segment, Fiserv (FISV), down -2.99%, Fair Isaac Corp. (FICO), down, -0.85%, Elevate Credit (ELVT), up 0.73%, Global Payment, Inc. (GPN), up 0.76%, Fidelity National Information Services, Inc.(FIS), up, 0.77%, OneMain Holdings Inc. (OMF), up 1.31%, and Green Dot Corporation (GDOT), gained 3.79% to finish the week. And Goldman Sachs (GS), the firm that makes up the Financial Institutions with Dedicated P2P Lending Platforms (FI) gained 3.73%.

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Chart of the Week: The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Weekly Total Return Performance for the Firms that Reported Earnings Results for the week ending October 25, 2019



Source: CrowdBureau Corporation

ABOUT CROWDBUREAU CORPORATION

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